



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution authorizing the City Manager to allocate \$15,844.64 in Public Benefit Program funds to Cottage Bakery for a demand-side management project (EUD)

MEETING DATE: August 17, 2005

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to allocate a Public Benefits Program grant in the amount of \$15,844.64 to Cottage Bakery for a demand-side management project.

BACKGROUND INFORMATION: Cottage Bakery recently launched a facility-wide energy efficiency enhancement project. Phase One of the project entailed lighting improvements throughout the plant. The management of Cottage Bakery have invested \$105,630.93 into their Phase One efforts, and, due to the nature of the improvements, are eligible for a Public Benefits Program grant (rebate) in the amount of \$15,844.64 (\$105,630.93 'x' 15% = \$15,844.64; the current rebate is 15 percent of the total project cost, which includes materials and labor costs associated with the project).

Phase One consisted of the following:

- removal of 211 existing 400-watt low bay metal halide lighting fixtures, and 51 existing 400-watt 2 x 2 metal halide surface mount lighting fixtures;
- install 184, 54-watt T-5 high efficiency high bay lighting fixtures; 50, 54-watt T-5 high efficiency freezer lighting fixtures; 14, 32-watt T-8 wrap-around fluorescent lighting fixtures with white reflectors; and, 13, 32-watt T-8 fluorescent lighting fixtures with white reflectors and metal wire guards.

The T-5 fluorescent lighting technology is the latest "generation" of fluorescent lighting technology, designed to replace aging, energy *inefficient* metal halide and incandescent lighting technology. The T-5 technology has become the number one choice for lighting retrofit projects for large commercial and industrial customers throughout the country, and is generally installed in warehouse and production areas. The T-8 fluorescent lighting technology is also an extremely energy efficient technology, and is commonly used for lighting retrofit applications installed by retail customers. The projected annual energy and maintenance savings for this lighting retrofit project to Cottage Bakery is \$53,000.00; hence, the project payback is just under two years (project cost, \$105,000 divided by projected savings, \$53,000 = 1.98 years). By energy efficiency standards, a demand-side management project with a payback of four (4) years or less, is considered excellent.

Cottage Bakery officials are now developing the second phase of their energy efficiency improvement project, which may include process line equipment improvements and mechanical system retrofits.

APPROVED:

Blair King, City Manager

Adopt resolution authorizing the City Manager to allocate \$15,844.64 in Public Benefit Program funds to Cottage Bakery for a demand-side management project (EUD)

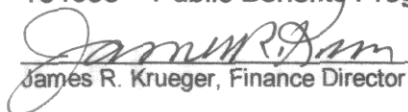
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Electric Utility staff respectfully recommends approval of this rebate as a qualifying component of the City of Lodi Public Benefits Program, and is categorized as a demand-side management project.

FISCAL IMPACT: Public Benefit rebates for large commercial and/or industrial customers have been budgeted in the 2005-2006 fiscal year Public Benefits Program budget.

FUNDING AVAILABLE: 164605 – Public Benefits Program (Category: Demand-side Management)


James R. Krueger, Finance Director


Alan N. Vallow
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service and Programs

ANV/RL/lt

c: City Attorney

RESOLUTION NO. 2005-170

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO PROVIDE A
PUBLIC BENEFITS PROGRAM GRANT – DEMAND-SIDE
MANAGEMENT PROJECT TO COTTAGE BAKERY

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on an historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, Cottage Bakery recently launched a facility-wide energy efficiency enhancement project, and Phase One of the project entailed lighting improvements throughout the plant; and

WHEREAS, the management of Cottage Bakery have invested \$105,630.93 into its Phase One efforts, and, due to the nature of the improvements, are eligible for a Public Benefits Program grant (rebate) in the amount of \$15,844.64 ($\$105,630.93 \times 15\% = \$15,844.64$; the current rebate is 15 percent of the total project cost, which includes materials and labor costs associated with the project); and

WHEREAS, Phase One consisted of the following:

- 1) removal of 211 existing 400-watt low-bay metal halide lighting fixtures, and 51 existing 400-watt 2 x 2 metal halide surface mount lighting fixtures; and
- 2) install 184, 54-watt T-5 high-efficiency high-bay lighting fixtures; 50, 54-watt T-5 high-efficiency freezer lighting fixtures; 14, 32-watt T-8 wrap-around fluorescent lighting fixtures with white reflectors; and, 13, 32-watt T-8 fluorescent lighting fixtures with white reflectors and metal wire guards.

WHEREAS, Electric Utility staff respectfully recommends approval of this rebate as a qualifying component of the City of Lodi Public Benefits Program, which is categorized as a demand-side management project.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant – demand-side management project to Cottage Bakery in the amount \$15,844.64.

Dated: August 17, 2005

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I hereby certify that Resolution No. 2005-170 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 17, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce,
and Mayor Beckman

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read "Susan J. Blackston", with a stylized flourish at the end.

SUSAN J. BLACKSTON
City Clerk